



Douglas County Internal Audit

July 2, 2013

Douglas County Board of Commissioners
1819 Farnam Street, Suite LC2
Omaha, NE 68183

Attention: Mary Ann Borgeson, Clare Duda, Mike Boyle, Marc Kraft, PJ Morgan,
Chris Rodgers and Pam Tusa

John Ewing, Douglas County Treasurer
Thomas Cavanaugh, Douglas County Clerk/Comptroller
Roger Morrissey, Douglas County Assessor
1819 Farnam St.
Omaha, NE 68183

Dear Commissioners and Mr.'s Ewing, Cavanaugh, and Morrissey:

I have completed an audit of Douglas County controls that were in place to levy and collect taxes for real and personal properties. The purpose of the audit was to assess the adequacy and effectiveness of the control processes used to levy and properly record the collection of real and personal property tax payments. The audit revealed that, overall, controls were adequately designed and worked effectively, and there were no reportable issues identified.

Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Below are the details related to tests of the controls to levy and collect the taxes for real and personal properties.

Objectives

The objectives of the audit were to ensure that:

- Assessed values were properly reviewed and approved.
- All tax levies were properly calculated, approved, and authorized.

- Revenues and receivables for property taxes pertained to the entity and were recorded in the proper period for the correct amount and in the correct fund.
- All cash received for taxes was recorded and posted completely and accurately in the proper period.

Scope and Methodology

The audit included a review of 25 real and 15 personal properties randomly chosen from the County tax rolls. The following tests were performed for each property:

- The taxes for each property were recalculated based upon the appropriate tax district and property assessments.
- The levy for each political subdivision included in the tax district for the sampled properties was recalculated and traced to the subdivisions' total assessed values and budget submissions.
- Verification that the individual levies for the political subdivisions in the districts tested were approved by the County Board.
- The assessed values for personal property tested agreed to property tax returns.
- The taxes collected for each property were properly cashiered and recorded in the financial system.
- The daily total amounts collected for all real and personal property taxes (for each day payments were received for the sampled properties) were properly cashiered and posted to the financial system.

Findings

There were no reportable issues identified.

Audit Standards

Internal Audit conducted this audit in accordance with generally accepted government auditing standards. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

Internal Audit has reviewed this information with the Douglas County Treasurer, Chief Deputy Douglas County Assessor, and the Chief Deputy Douglas County Clerk. Internal Audit appreciates the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.

Sincerely,

Mike Dwornicki
Internal Audit Director

cc: Paul Tomoser
Joni Davis
Trent Demulling
Donald Stephens
Patrick Bloomingdale
Diane Carlson
Joe Lorenz
Kathleen Hall
Tim Cavanaugh
Patricia Carter
Mike Goodwillie
Mark Rhine